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PFIAB's role

## Strengthening Counterintelligence

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The serene setting of the Oval Office was in marked contrast with the discussion occurring within. "This rises to the level of a national scandal!" thundered the voice of the normally quiet-spoken Attorney General William French Smith as he leaned forward to face President Reagan and jabbed his forefinger into the air to emphasize his point.

And so it was. Smith's exclamation had followed Professor James Q. Wilson's descriptive account of the successful Cuban double-agent program that had humiliated the CIA, the FBI, and the US military intelligence services for over 25 years. Both Wilson and Smith were members of the President's Foreign Intelligence Advisory Board (PFIAB). It was December 1988, and they had just completed a year-long study of counterintelligence (CI) in the CIA, a review prompted in part by the endless parade of US clandestine operations exposed in Castro's 11-segment TV miniseries.

Mr. Smith had alluded to what was a real "national scandal:" because Castro had controlled the majority of America's stable of "Cuban intelligence assets" for decades, the Cubans had been able to manipulate most of the foreign intelligence the US received from those assets. This, in turn, drew collective shudders from policy and intelligence officials who, since the Bay of Pigs, had made judgments based on information gleaned from these compromised clandestine operations. Equally serious, it also called into

question the viability of some intelligence and CI collection operations elsewhere in the world. When accounting for expenditures made in such areas as agent salaries, safehouses, and communications, the amount of US dollars forfeited in this program was enormous. The affair went to the heart of the Board's *raison d'être*: advising the President of the quality of US intelligence he receives.

The Cuban case is only one incident in a long list of CI studies the Board has reported to the President during its 35-year history. In fact, while specific problems involving all intelligence disciplines have found their way into PFIAB's files, perhaps none have captured as much of the Board's sustained attention in the last 10 years as those involving CI issues.<sup>1</sup>

### Background

In 1956, President Eisenhower established the President's Board of Consultants on Foreign Intelligence Activities. It was created by Executive Order in response to the Hoover Commission Report relating to the intelligence activities of the government. The eight members of the original Board, chaired by Dr. James Killian, President of M.I.T., were appointed on the basis of "ability, experience, and knowledge of matters relating to the national defense and security . . ."

At first, President Kennedy reportedly was not enamored of the Board concept, believing it to be an impediment to an activist foreign policy. His opinion changed dramatically, however, immediately following the Bay of Pigs incident. He established the

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Board under the current name, but with its previous mission. In May of 1961, and he became its biggest supporter. Each President named members to succeeding PFIABs until 1977, when Jimmy Carter abolished the Board.<sup>2</sup>

President Reagan promised in his political platform to reestablish the PFIAB, which he did under the chairmanship of Anne Armstrong in 1981. The current membership was appointed by President Bush in July 1990, using the existing Executive Order 12537.

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While PFIAB is not a Congressionally mandated organization, seven Presidents have believed in the value of having prestigious, independent “outsiders” conduct objective reviews to improve the “quality and effectiveness of intelligence available to the US.” The Board’s lack of institutional ties avoids the danger of having an organizational stake in a particular issue; thus, it does not assume an advocacy role for a particular intelligence agency. Presidents have perceived the Board as a reviewer and adviser in a positive way, one that identifies and proposes new and more efficient means of obtaining essential foreign intelligence.

The PFIAB is not a “watchdog” organization, although several proposals over the decades by the Congress and the Executive have solicited such a function. PFIAB’s purpose is to serve as a stimulus, not a policeman.<sup>3</sup> Thus, most Boards have tried to avoid substituting their knowledge for those of the professionals regarding specific operations and covert actions. Instead, they have tended to concentrate on systemic deficiencies, often those that require Presidential action to break a logjam. While some retrospective inquiries have been conducted, these studies have been more than just a “what-went-wrong” exercise.<sup>4</sup> The focus has been on making appropriate changes to avoid past mistakes and provide better intelligence in future endeavors.

The Board’s recommendations in the CI arena are captured in three general themes:

- Pooled talent is far more successful than single-agency efforts (Mission and Organization).
- Accountability is necessary to ensure the success of programs (Good Leadership).
- There is no substitute for proper training and incentives (Motivation).

### Gaming the Adversary

James Q. Wilson, in his book, *Bureaucracies*, describes what happens when there is a mismatch between an organization’s structure and the mission to be performed:

- Tasks that are not part of the culture will not be attended to with the same energy and resources as are devoted to tasks that are part of it.
- Organizations in which two or more cultures struggle for supremacy will experience serious conflict as defenders of one seek to dominate representatives of the others.
- Organizations will resist taking on new tasks that seem incompatible with their dominant culture.

No department or agency can claim CI as its primary mission, despite various assertions of owning a “lead” role. Consequently, CI will always be another, and lesser, branch of an agency’s mission tree. One need only travel to the FBI’s domestic field offices or the CIA’s stations overseas to see the truth in this. Unheralded in success, pilloried in failure, an officer assigned to the CI field encounters little reward in the traditional sense from one’s own agency.

To further complicate the matter, responsibilities for CI are split among various agencies, creating keen competition for the right to perform the work. As Harold Seidman noted in *Politics, Position, and Power*:

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The quest for coordination is the twentieth-century equivalent of the medieval search for the philosopher's stone... If only we can find the right formula for coordination, we can reconcile the irreconcilable, harmonize competing and wholly divergent interests, overcome irrationalities in our government structures, and make hard policy choices to which no one will dissent.

Seidman's cynicism is too often well founded, but there is no alternative. Consequently, a team approach, from the senior to the lowest levels, has been long recognized as essential to countering foreign intelligence efforts against the US. Organizational "fix-it" theories abound: some advocate a CI "czar," while others promote a true interagency "center," and still more encourage the status quo with improved coordination.

Reasonable individuals can argue the merits of these and other organizational structures, but participation is an ingredient common to all. Indeed, the CIA and FBI cultures and methods of operating, when combined, have proven repeatedly to be successful and effective in certain circumstances. It was with these precedents in mind, and with the whole-hearted urg-

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The following year, the Board returned to the CIA/FBI issue. In the Board's 1986 *Report to the President on the Edward Lee Howard Case*, a failure on the part of the CIA and the FBI to work together effectively was found to be a major stumbling block. Howard had shown clear signs of developing into a serious "security" problem for the Agency while he was assigned to his sensitive position in the CIA's Soviet Division—years before Yurchenko alerted the US to Howard's treason. His personality flaws were manifested in far more telling and bizarre ways fol-

lowing his dismissal from the Agency. Yet, the

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Such obvious proposals to coordinate better may seem simplistic, but they are the hardest to implement, even long after the notorious infighting that occurred in the era of Angleton and Hoover.<sup>6</sup> Despite some good joint investigations and recent excellent coordination on operational activities, many longer-range joint programs have yet to achieve the goals envisioned for them years before. Bureaucratic barriers have been slow to fall, and well-intentioned efforts have often lacked sustained, individual attention up and down the chain of command. For example, partly as a result of senior personnel changes, FBI officials seemed essentially unaware (or uncaring) of their man assigned to a joint program overseas, a development that apparently suited some CIA officials, who viewed the interloper suspiciously from the start.

In some joint programs, misunderstandings occurred when agencies created a mismatch between the level of officer assigned and the job to be performed. In even more cases, comparable disparities arose when agency officials failed to identify the "right" personalities to fit certain positions—a necessary element to overcome the "culture shock" of a new environment. In other instances, questions arose regarding the "proper capabilities mix" for various positions. The nearly universal predisposition of managers and personnel specialists for "out-of-sight, out-of-mind" behavior has caused detailees to be viewed unfavorably at promotion time. And instilling a team

approach among organizational cultures—expanding the paradigms—has proven the most difficult proposal of all.

We do not intend to imply here that all interagency efforts have been unsuccessful, for some have been extremely effective. One case in point, where the necessary ingredients of seniority, personality, competence, incentives, mission, and position—were mixed together successfully was the FBI assignment to head State's CI Office in 1987. It was, by both agencies' standards, a hit.<sup>7</sup> We further hazard the generalization that interagency coordination flows more easily in the non-operational area, such as the conducting of joint training exercises and seminars, where people from different organizational cultures come together only for a few days or weeks. However, with the more permanent and tricky operational sharing arrangements, and where bureaucratic turf is at issue, the light at the end of the tunnel flickers dimly.<sup>8</sup>

### Confused Responsibilities

In the realm of diplomatic security, the light has often seemed doused. In the past, bureaucratic turf-fighting has reigned supreme between the Department of State's Bureau of Diplomatic Security and the Director of Central Intelligence's Security Evaluation Office (now called the Center for Security Evaluation). This situation has its roots in the US Marine spy scandal in Moscow:

It was a Christmas party, the eggnog was flowing, and the embassy employees were relieved to be away from their routine duties for awhile. A young Marine [redacted] whispered that he would like to speak privately with him for a few moments. After they had disengaged themselves from the partygoers, Sgt. Clayton Lonetree branded December 1986 as a Christmas [redacted] would never forget: Lonetree confessed that he had been spying for the Soviets since his assignment to the US Embassy in Moscow. With that initial admission, Sgt. Lonetree's activities while assigned to the US embassies in Moscow and Vienna were scrutinized under the microscopic eye of the intelligence

community. In addition, the worldwide Marine Security Guard program and the overall status issue of embassy security were called into question.

In April 1987, still under the glare of the publicity of the investigations of the Marine Security Guard Program, the President directed his PFIAB through NSDD 268 to "develop recommendations" that would improve the current "process and policies" to "protect classified information and facilities" in US missions abroad.<sup>9</sup> In its 1987

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Why create two separate, powerful organizations to compete in conducting security abroad? The answer is not contained within the report, but it may be inferred from Professor Wilson's concept of mission incompatibility: the State Department's culture of diplomacy was believed inharmonious with that of security; by raising the organizational level of security within the State Department, a degree of autonomy and independence might be gained. On the other hand, such organizational reapportionment would probably be resisted by the diplomatic corps; a DCI organization more likely would bring leverage and "jointness," albeit in the form of fierce competition.<sup>10</sup>

Despite years of policy interest in the security of our embassies, several substantial organizational changes within agencies to confront better the problems, and numerous executive and legislative recommendations for improvement, some lessons are hard to learn. The recent fire in the US Embassy in Moscow, the fourth

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such incident in the last 15 years, again caught some embassy tenants unprepared. Unescorted KGB "firemen" rifled unlocked safe drawers in sensitive areas of the embassy. Demonstrating their own prowess at learning lessons, the "firemen" stuffed their bulky suits with classified material and slipped away unchallenged from the burning building.

### Where the Buck Stops

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Of all the recommendations of the report, this was one of the more controversial. Senior Directorate of Operations(DO) managers worried about applying a judgment to past work performed, believing that 20/20 hindsight would always reveal what might have been veiled in the mist of the moment. The potential for overzealous punishment was considered unacceptable.

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An accountability process can be cathartic.

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### Getting the Goods

Because CI is not the main function of any one agency, how does one attract, train, and reward officers who perform CI? The Board's approach has been a call for the institutional protection of the function, a greatly expanded training program, and evaluation of promotion precepts and assignment standards. In the first instance, the DCI's actions in creating a center went some way towards institutionalizing and protecting the CI function within the CIA.<sup>12</sup> Likewise, FBI Director Sessions's active leadership of the National Advisory Group/Counterintelligence has helped bring important CI issues to the fore at senior levels. Interagency training has gained a foothold in the community with the creation of several levels of training courses now provided by CIA, FBI and DoD.

Despite such progress, the rewards associated with CI service remain elusive enough to continue to pose significant problems in retaining personnel. In the CIA, for example, the difficulty in enticing experienced case officers to serve in the CIC indicates that CI service still is neither required nor rewarded adequately. And the steady turnover of its analytic corps is an equally telling testament to the problem of separation anxiety—namely, the perceived career damage that ensues when analysts are away for one or two years from the Directorate of Intelligence "nest." Lack of an adequate career and grade structure for many CI officers within DoD continues to fuel demoralization, which is in itself aggravated by the rapidly declining force structure and the push to "do more with less."

In final tribute, we note that (b)(5) a number of unsung, much maligned heroes, who needed no training courses, lessons in accountability, outside advisers, or visits to group outreach retreats to help them perform their jobs.

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These are commendable trends, but we worry about the tendency within declining budgets to organizational fratricide, and the lemming-like tendency to protect "things" quantifiable instead of talent immeasurable. This applies equally to the policy community; it has its own responsibility to protect the CI function.

For CI to be effective, there has to be a clear sense of mission and a blending of talent, clean lines of authority and good leadership that stands accountable, and a proper training and incentives program to nurture and encourage expertise.

## NOTES

1. The Reagan Board devoted considerable effort in studying CI issues and related topics. Current Acting Chairman of the PFIAB, Admiral B.R. Inman, holds a high interest in CI, having spent the last several years as a member of the Advisory Panel to the Senate Select Committee on Intelligence, chaired by Eli Jacobs, and researching ways to make improvements in the laws governing CI. In discussing the Board's reports, we have elected to use the term "CI" loosely, in its broadest context.
2. Carter reportedly believed initially that the Board was unnecessary because of other existing checks and balances. Towards the end of his administration, however, there was considerable talk of reconstituting the Board.
3. Other organizations and institutions have the "policing" role of oversight of the intelligence community: the President's Intelligence Oversight Board; the statutory Inspector General; and the Intelligence Committees of Congress, to name a few.
4. Presidents have made clear the Board's access "to the full extent permitted by applicable law to all information necessary to carry out its duties in the possession of any agency in the federal government."

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However, there was no defector at that time to validate the officer's suspicions, and he endured a torrent of dissent from his superiors and colleagues. After receiving a highly unfavorable performance evaluation (in fact, so low as to be grounds for dismissal), the embittered officer retired. Both officers in these cases were later given awards for their performance, after the PFIAB exposed their plight. Each agency can point to its own share of such cases.

## Looking Ahead

The mission and methodology of CI will continue to evolve as the geopolitical landscape defines the face of our enemies and the secrets to be kept. We have no overarching insights into the colors of this scene that have not been enumerated before.<sup>13</sup> We are certain, however, that the management issues governing CI are basic, known, and incontrovertible.

Many agencies have already adopted the concept of "corporate management," which encourages worker participation to achieve a customer-focused quality.

5. There is some question of whether such notification then by the CIA to the FBI about Howard would have made a difference in the outcome. The Bureau needs "specific and articulate facts" before it can pursue the kind of intensive evidentiary investigation—such as wiretaps and surveillance—often necessary for prosecution. For example, in the Glenn Souther case, the FBI did not have enough information (b)(7)(e) (b)(7)(e) questioned Souther and asked him to take polygraph examination. Lacking surveillance, Souther fled the country.
6. Interagency backbiting, unfortunately, has not been limited to behind the scenes. The hemorrhage of revelatory scandals in a decade of journalistic endeavors perpetuates the game of one-upmanship and further weakens an already fragile set of relationships.
7. Lamentably, this unique match was not institutionalized, and the effort failed in more recent years. No FBI agent is now assigned to State's CI Office, in any position.
8. We make this generalization, despite the formalization of the CI Operations Board, which has had some success in breaking down organizational barriers in the operational arena.
9. In the same directive, the President also asked the Board to "conduct a review of all available information to determine the suitability of our new Embassy in Moscow as a secure environment in which to conduct classified activity."
10. Both recommendations were acted upon, but in ways different than the Board intended. This in itself is another chapter. However, cooperation between the State and DCI organizations has improved steadily.
11. The DO did, however, implement a number of commendable changes to its promotion (b)(1) precepts, (b)(1) and tr(b)(3)(n) classes.
12. (b)(5) advocating a separate career cadre in a new directorate within the CIA so as to remove it administratively from the DO. As part of the "ticket punching" of mid-level case officers, (b)(5) rotational assignments from the DO to the new CI organization. Additionally, we note that the community has perceived the CIC as an interagency "center" in name only. Its focus is on supporting CIA operations, first and foremost.
13. (b)(5) In the intervening months since this article was first drafted, we note that all CI agencies have tried to adjust to new geopolitical realities. For example, the FBI adopted its National Security Threat List, which focuses upon new "threat concepts" and non-traditional adversaries, as well as upon the remaining few traditional hostile intelligence services.

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